



## INVESTMENT OPTIONS



**T**here are two components to your PERF retirement benefit: a monthly pension benefit and an Annuity Savings Account (ASA). A required 3 percent of your wages must be contributed to fund your ASA. The amount can be paid by your employer, you or shared by both. You may allocate your ASA contributions among these investment options:

1. **Fixed Income Fund**
2. **Guaranteed Fund (not available for Rollover Savings Accounts [RSAs])**
3. **Inflation-Linked Fixed Income Fund**
4. **International Equity Fund**
5. **Large Cap Equity Index Fund**
6. **Small/Mid Cap Equity Fund**
7. **Target Date Funds**
8. **Money Market Fund**

## QUARTERLY STATEMENT

As a PERF member, you receive a quarterly statement with the following details about your **Annuity Savings Account (ASA)**:

- Current ASA balance
- Investment gains/losses
- Contributions received during the prior quarter
- Total contributions received to date
- Current investment allocation
- Updated performance reports for each ASA investment option

The returns earned by each investment option are credited to member accounts on a daily basis. All contributions received from the member or employer during the quarter are deposited into the member's ASA.

Quarterly member statements are now electronic. Log on to PERF Online to view your current and past quarterly statements detailing your account balance and interest earnings.

If you would like a paper statement mailed to your home, log on to PERF Online and select the Personal Information tab, Communications, E-mail Address, then Communications Preferences. Or, you can download the [ASA Quarterly Member Statement Opt-In form](#) from the INPRS Web site.

## CONTACTING PERF

### Questions

For questions about your PERF retirement benefit, call our office toll-free at (888) 526-1687.

### Web and e-mail

- The INPRS Web site is located at [www.inprs.in.gov](http://www.inprs.in.gov)
- Send e-mail to [questions@inprs.in.gov](mailto:questions@inprs.in.gov)

### Address

INPRS  
One North Capitol, Suite 001  
Indianapolis, IN 46204

### Location

PERF is located in the lower level of the One North Capitol building on the northeast corner of Capitol Avenue and Washington Street.

## INVESTING YOUR ANNUITY SAVINGS ACCOUNT



ASA Allocation

- You can allocate your ASA monies by logging in to your PERF Online account or by calling a PERF customer service representative.
- You may request allocations to one, all, or any combination of the available funds. The allocation must be made in whole percentage increments and the total should equal 100 percent.

Determining Your ASA Allocation

This section provides basic investment concepts to help you decide how to invest your ASA. You may have additional questions about how you should allocate your investments after reading this. PERF is unable to provide investment advice. For advice, PERF recommends contacting a trusted financial advisor or planner.

When deciding how to invest your ASA, it is important to consider three things:

- Risk tolerance
- Age
- Portfolio diversification

Risk Tolerance

Risk tolerance is your ability or willingness to accept falling investment values, while waiting for them to increase in value. If you cannot afford to lose money, even in the short term, you should stay with stable value investments like the Guaranteed Fund. If you are more concerned with growing the account value over time and keeping pace with inflation, you may want to invest more in stock and bond funds. Small company

stocks tend to fluctuate more than large company stocks but have historically achieved higher returns over the long-term, and bonds vary less than stocks because of their steady stream of income. Over the long term, stock prices generally move up and provide higher returns than bonds or more stable investments.

Age

Age may help determine risk tolerance. Younger members may be able to afford to take on more market risk since stock losses can be made up over time. For these members, withstanding losses associated with stocks in the short-term is more likely to lead to experiencing higher returns over the long-term. The closer you are to retirement, however, the greater the allocation you may want in investments that preserve capital and provide regular income.

If you are likely to transfer out of riskier investments when experiencing a loss, regardless of your age, you may not want to invest in stocks and instead consider staying with bonds and stable investments.

Portfolio Diversification

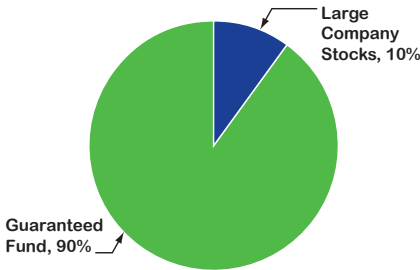
Diversification is the concept of spreading contributions among different types of investments to reduce overall risk. You can increase the growth potential of your account while lessening the impact of losses by investing in a combination of funds. Many studies have shown that adhering to a diversified asset allocation provides much greater returns in the long run versus changing allocations to chase the fund that has done the best in the past.

Risk tolerance and age can help determine how much to diversify your portfolio between riskier and more stable investments. Leading investment advisory sources largely agree on model portfolios for the typical investor. The following investment allocation models are guidelines for the typical investor and should not be considered investment advice.

Conservative

- Prefer the slow and steady pace of stable investment options and are not comfortable at all with risk
- Are within a few years of retirement or already retired (see Figure 1)

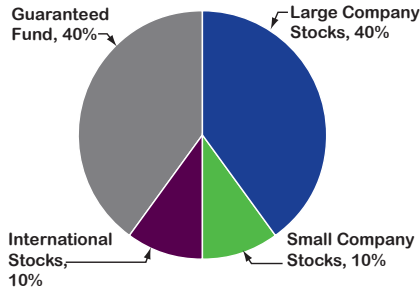
Figure 1 – Conservative Profile Example



Moderate

- Willing to accept some risk for potentially greater returns, but are uncomfortable with large ups and downs in the short-term
- Are comfortable with risk but have less than 10 years until retirement (Figure 2)

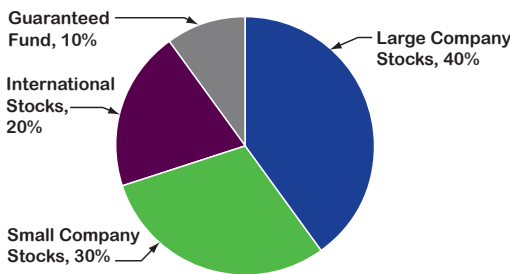
Figure 2 – Moderate Profile Example



Aggressive

- Willing to take a higher level of risk with investments for greater growth potential
- Have more than 10 years until retirement
- Are not tempted to change allocations when experiencing a drop of 10 percent or more (Figure 3)

Figure 3 – Aggressive Profile Example



For information about investment returns and the options available for your ASA account, visit *Investing 101* on the INPRS Web site at [www.inprs.in.gov](http://www.inprs.in.gov). The fund fact sheets show the most recent investment returns for each fund.

*This brochure is a summary and is not intended to provide total information concerning your investments. Detailed information may be obtained by contacting the Indiana Public Retirement System.*